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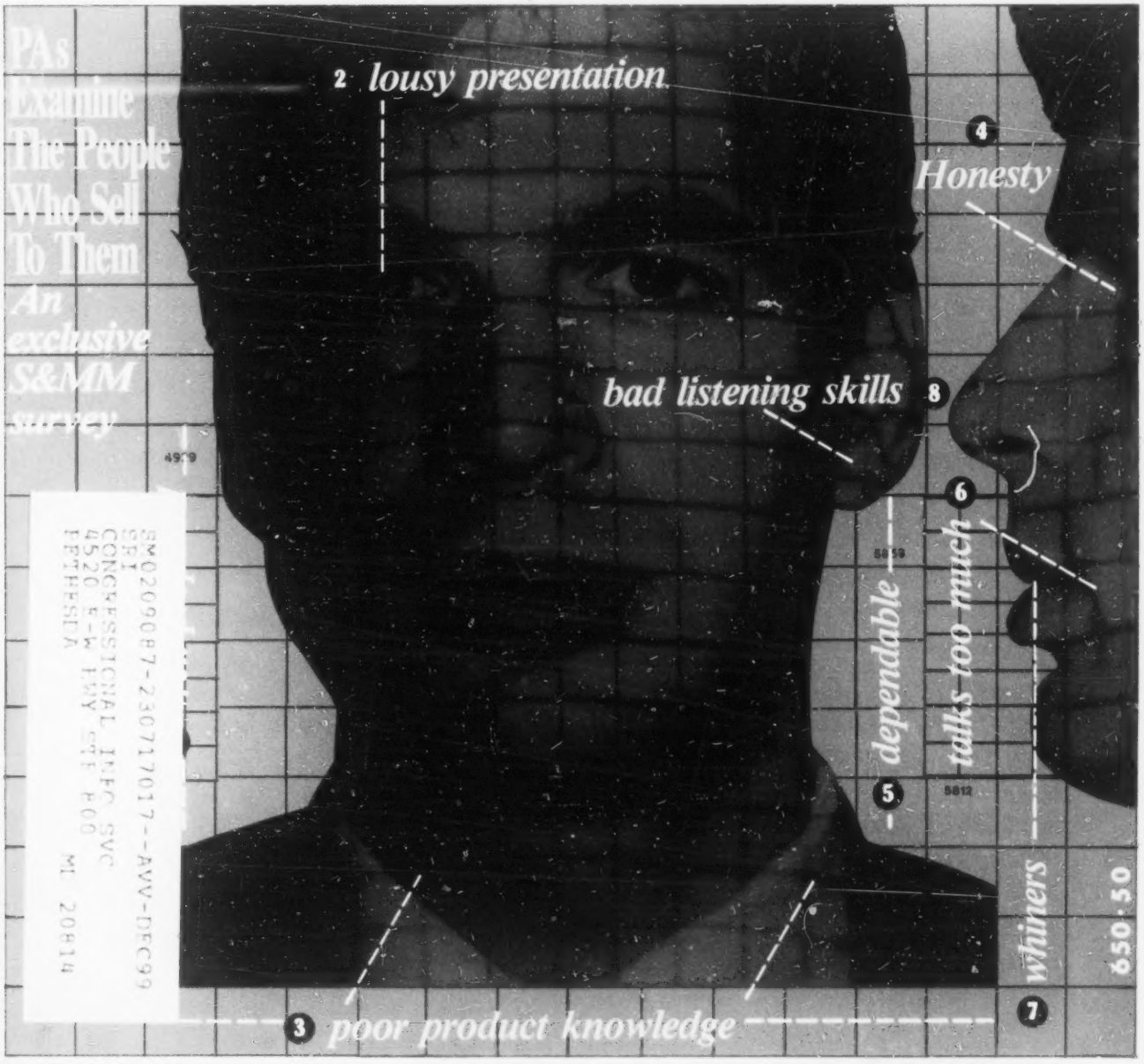
Sales and Marketing

MANAGEMENT



ANTITRUST AND SELLING CYCLEMANIA

SPECIAL SECTION: SALES MEETINGS

S&MM

Established 1918

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Cover design by Altemus and Tom Loria

Cover:
S&MM polled 205 purchasing agents for their opinions on today's salespeople. Their verdict: Reps need to work on their credibility and integrity, but need not waste their time studying competitors' products or making too many calls. For full results, see page 38.

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markets, and other businesses where products are left in boxes.

Dale Stahl, vice president and general manager of Union Camp's Container Div., Wayne, NJ, which recently started its preprint linerboard operation, says preprint offers marketers more than just a nice looking box.

"What preprint offers is a higher level of graphics at less cost [than labelling]," he says. "But what it also does is give companies all kinds of opportunities to coordinate advertising campaigns."

Stahl says that major retailers are asking manufacturers to supply products in packages that can be sold right off the shelf. Obviously, if a package is more attractive, or if its instructions are more legible, it has an edge.

"It's a way for manufacturers to"

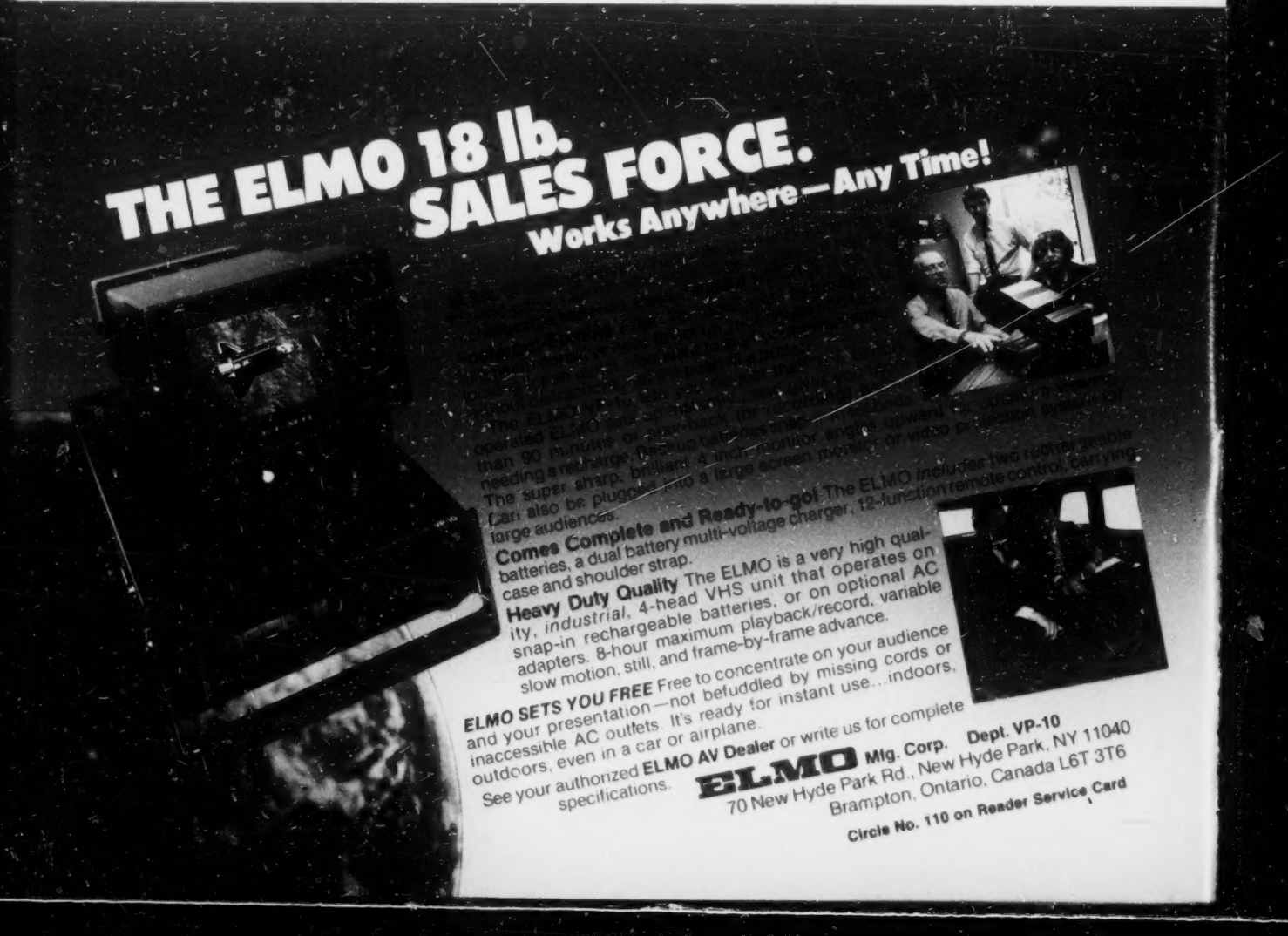
MARKET HIGHLIGHT

VCRs: New fourth TV network?

While Rupert Murdoch is the latest media mogul with plans for a fourth TV network, many feel it's already in place: namely, the millions of VCR (videocassette recorder) owners who are creating new modes of TV-watching. Some 19 million households have VCRs, reports Paul Kagan Associates, a Carmel, CA, media research firm. Electronic Industries reports that, through September, sales of VCRs numbered 7.5 million VCRs—just a whisper below the 1984 total. Here's how Kagan depicts 1985 VCR hardware and software sales:

Product	Avg. Price	Units (Mil.)	$(Bil.)
VCRs	$500	12	$6.00
Pre-recorded tapes	50	40	2.00
Rental tapes	2.50	500	1.25
Blank tapes	6	160	.96
		Total	**$10.21**

Source: Paul Kagan Associates, *The VCR Letter*
Sales & Marketing Management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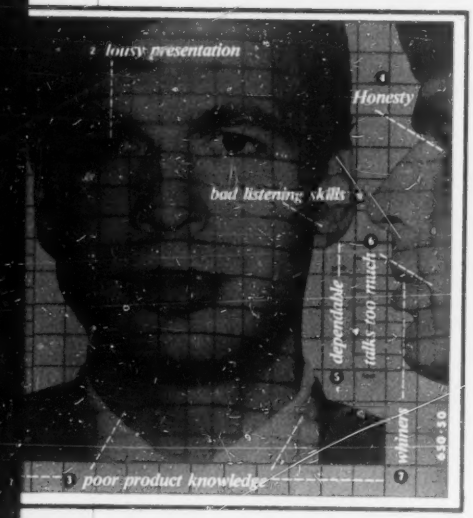


PAs Examine The People Who Sell To Them

An Exclusive S&MM survey

Want to be a hit with the next buyer you call on? Don't be pushy, arrogant, dishonest, unreliable, condescending, too talkative, or ignorant of your products. And while you're at it, make a nice appearance, too. But don't take our word for it; that's what buyers told S&MM in a survey of successful selling characteristics.

Of the 15 qualities, reliability/credibility was considered "extremely" or "very" important by 98% of purchasing agents, while 93% put professionalism/integrity into the same categories.

While this shouldn't come as a shock to salespeople (consultant Edwin E. Bobrow of Bobrow Consulting Group, New York, calls these findings, "almost axiomatic"), it does indicate that, alas, not much is changing. Buyers still feel that there's a lack of professionalism among many salespeople, and, in many cases, the two groups are at odds with each other.

"From an overall standpoint, the survey seems to represent the usual adversary roles that the purchasing agent and salespeople are involved in," says Bobrow.

Still, the survey is not without its revelations. Only 36% rate product knowledge as being "extremely important," while 4.9% put knowledge of competitors' products in that category. (This indicates a change from nine years ago when a survey by *Purchasing* magazine rated product knowledge as the most important attribute of a good salesperson.)

"The big surprise is that the purchasing agents didn't demand expertise in product knowledge," says Bobrow. "It would seem to me that in a partnership relationship this would be extremely important. And I think it's essential that a salesperson has good competitive knowledge."

Buyers, however, have their reasons for this, especially when it comes to knowing the competitors' goods. Fellicia Wright, a buyer with Industrial Plastics, Elkhart, IN, stresses its importance, but concedes that salespeople sometimes lack product knowledge. "We need to know technical information, and I consider product knowledge very important. But I don't expect every salesman to know the competitors' products very well. I have some coming in here who barely know their products, let alone the competition's."

What's worse, says Wright, is that some try to fake product knowledge. Wright, who buys chemicals, among other things, says that she needs to know the physical properties of what she buys because of their critical use in manufacturing. Still, some try to bluff their way through a sale.

"I had two salesmen call on me who just plain didn't know what they were talking about—didn't know their own products—and wouldn't admit it," she says.

Others like Wright who feel that product knowledge is paramount, also find it lacking. Robert W. Akers, purchasing manager, Litton Inter-Pak Electronics, Springfield, MO, estimates that 25% of the people calling on him don't know their products well enough.

"Oftentimes you'll get salesmen who are not technically oriented. But they should at least be able to answer general questions," he says. "Otherwise, how can they help me solve problems? Anyone can sell you a widget and say it's better than someone else's."

Can there ever be too much product knowledge? Yes, say some, perhaps indicating why product knowledge didn't get a higher rating.

"I don't like someone interjecting technical information when you don't ask," says Dick Ruple, senior buyer, Perry Equipment Co., Mineral Wells, TX, a manufacturer of filtration and flow measurement equipment. "I don't like self-serving information. I'd rather have him [the salesman] go back and get information for me. They should

know when to be quiet. Besides, they show more ignorance than smarts when they give more technical information than asked for."

Another possible reason for the poor showing of product knowledge is that many respondents feel it's enough if a salesperson knows where to get information. Says Ruple: "If the salesman asks, 'When do you need the information and when can I call you back?' then I know that he's interested."

Personality also scored relatively low (only 15.6% rated it "extremely important"), but it was by far the most emotional issue. More than a third of those who wrote comments mentioned personality in one way or another. And when contacted by phone, they didn't hesitate to discuss which types they don't like: pushy, egotistical, know-it-all, long-winded, and glad-hander.

"I can't stand the salesman who comes in here with a full line of the latest jokes," says Greg Vollendorf, purchasing supervisor, Detector Electronics, Minneapolis. "People who know their products and jobs don't do this."

"A guy will come in—one of those pressure guys—and say he can save me money and he doesn't even know the extenuating circumstances," says Jim Ferguson, I.G. Technologies, Valparaiso, IN. "Sometimes they'll even come in in the afternoon after having tipped a few at lunch with a big customer and talk down to you. 'You listen to me,' they say, 'and I'll make you wise.'"

"I don't like these people with limp handshakes, offensive stories, and who are living proof that, just like clothes can make the man, clothes can 'un-make' the man," says Larry Burrows, senior buyer, Standard Photo Supply, Chicago.

And Roy L. Finley, the purchasing director at Gold Kist, a farm cooperative in Atlanta, says, "A salesman ought to know when to shut up."

Dr. Herbert Greenberg of Personality Dynamics, a Princeton, NJ, consulting firm, says that this apparent paradox (buyers saying that personality is unimportant, yet bad personalities being the No. 1 complaint) is not surprising.

"They are not going to say that they like a product better because they like the salesperson. But it's going to be an influence," he says.

Bobrow agrees that buyers are probably saying what they think they should say, rather than what they feel.

"Conceptually and ideally they are saying they want a professional—someone who knows his products, doesn't have to know them that well, but who can deal with them reliably," he says. "In practice, you see reliability and professionalism through your relationship. That's why I think buyers are kidding themselves if they are implying that relationships are not that important.

"I do think they're right in saying that they don't want a pat on the back in place of those things. But they all want a good relationship. A

The results

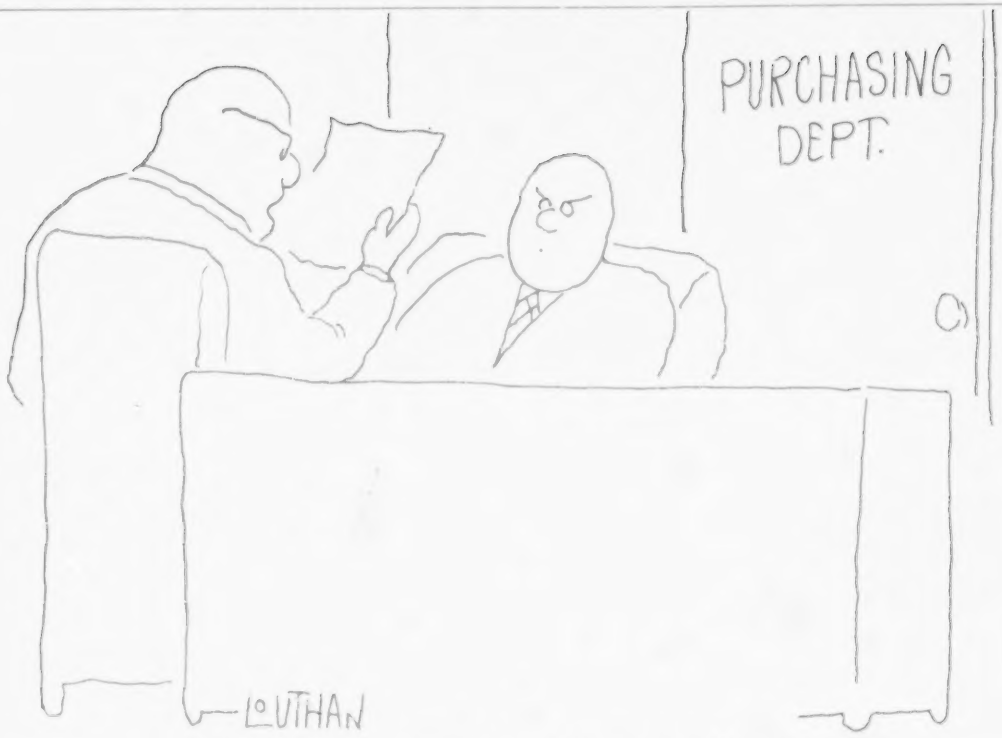
What do PAs like most in a salesperson? Of the 15 characteristics they were asked to rate in the S&MM survey, the 205 respondents ranked these:

Most valued	
Reliability/credibility	98.6%
Professionalism/integrity	93.7
Product knowledge	90.7
Innovativeness in problem solving	80.5
Presentation preparation	69.7
Least valued	
Supplies market data	25.8%
Appropriate frequency of calls	27.3
Knowledge of competitor's products	31.2
Knowledge of buyer's business and Negotiation skills (tie)	45.8

The good, the bad, and the ugly

Here, in their own words, are some qualities that buyers say they like, don't like, and just plain hate in salespeople:

The good	The bad	And the ugly
"Honesty"	"No follow-up"	"Wise-ass attitude"
"Lose a sale graciously"	"Walking in without an appointment"	"Calls me 'dear' or 'sweetheart' (I am a female)"
"Admits mistakes"	"Begins call by talking sports"	"Gets personal"
"Problem-solving capabilities"	"Puts down competitor's products"	"Doesn't give purchasing people credit for any brains"
"Friendly but professional"	"Poor listening skills"	"Whiners"
"Dependable"	"Too many phone calls"	"Bullshitters"
"Adaptability"	"Lousy presentation"	"Wines and dines me"
"Knows my business"	"Fails to ask about needs"	"Plays one company against another"
"Well prepared"	"Lacks product knowledge"	"Pushy"
"Patience"	"Wastes my time"	"Smokes in my office"



"Oh . . . hold it a second . . . at this point my boss says I should ask for the order."

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good relationship works to their advantage. Besides, it's been my experience that within the problem solvers and the like you'll find the good ol' boys more than the others."

Don Beveridge, president of D.W. Beveridge and Associates, a Barrington, IL, consulting firm, also sees an inconsistency in what buyers say they want and how they act. "They call you on the phone and say, 'Send me the price on a widget or give me the price on a model 27.' How can you demonstrate reliability and credibility and professionalism and integrity when by and large the majority of purchasing agents will not allow the sales representatives to demonstrate them? What I am suspicious of is that when they say reliability and credibility and professionalism and integrity, what they mean is that they want everything that a salesperson can offer after they beat him down on the price."

Another area of concern is sexism, which female respondents say is prevalent. In some cases it's as subtle as a salesman assuming that he's speaking to the buyer's secretary when he calls for an appointment. Other times it's blatant.

E.L. Penn, president of Omega Two, an electronics company in Strafford, MO, says salesmen have told her to ask her husband [the company's vice president] for permission to buy. "No one asks him to go ask his wife," she says.

Fellicia Wright says that she gets her share of salesman who on the first meeting call her "honey" or "sweetheart." (Her reaction? "It turns me off right away!")

Maryrose K. Darmotal, a buyer with McCain Manufacturing, Chicago, a bookbinding equipment manufacturer, sees this levelling off, but says it's hard for some to get over their prejudices. "Old-timers sometimes find it difficult to believe that a woman knows what she's talking about," she says.

Gifts are another problem area for many buyers. While it may be customary in some businesses, industrial people say they want no part of it. Dan Gotimer, senior buyer, Black & Decker, Easton, MD, says that gift-giving is a sure way for someone to lose a sale. "Someone will leave a sample and there'll be a product in the packaging. They're trying to buy the business and that's not the way I work," he says. "I'm professional."

Many of the complaints lodged against salespeople aren't unheard of, says Bobrow. In fact, he says, salespeople would probably say many of the same things about buyers (they're know-it-alls, too arrogant, and so on).

But, he adds, if salespeople behave this way, it's partially the buyer's fault. "If the buyer's offended, he should tell the salesman. Say, 'Hold it, your personality is getting in the way of my making an objective decision. Let's put this buddy-buddy business aside and you be my problem solver.' Buyers get what they demand in the relationship. They have the upper hand in setting the tone. The buyer has the pencil," he says.

Beveridge also feels that to some degree buyers "control" salespeople. "Uninformed purchasing agents who sees salespeople as peddlers dealing on the basis of price and

The salespeople speak back

O.K., the buyers and consultants have had their say, but what do salespeople think of the survey's results? The ones S&MM contacted, like their purchasing counterparts, were surprised at some responses, expected others, and were more than willing to comment on them.

"There still is the car-salesman, insurance-salesman image," says Kathe Sparacino, executive director of Sales and Marketing Executives of Los Angeles, reacting to the list of offensive sales characteristics. "But the old aggressive types are on their way out."

The "pushy" salesperson, she says, is usually the poorly trained and poorly educated one whose idea of a good selling technique is getting a foot in the door. "Selling is more than just asking for the order, and the newer groups of salespeople are turning this image around."

Like the others, former president of the Sales and Marketing Club of Philadelphia Lou Nolan was not surprised that reliability/credibility and professionalism/integrity were one and two, and theorizes that they were ranked so high because buyers found them lacking in salespeople. "A lot of buyers have a low opinion of salespeople," he says.

The real surprise to him, however, was the comparatively low marks given to product knowledge. "If a salesman doesn't have product knowledge, what does he have?"

Others agreed, but said that product knowledge is not a black-and-white issue. Says Turner Warmack, vice president, sales, Ziegler Tool, an Atlanta distributor, "That all depends on what you're selling; if it's a commodity, you obviously don't need it."

Gerald Clapp, eastern region manager for the Neenah Div. of Kimberly-Clark feels that buyers think product knowledge is important but find other qualities even more pressing. "They [buyers] probably feel that if a salesman has integrity, he's O.K." However, he adds, it's not just "O.K." for his salespeople. "If they don't have it, they're gone."

The personality paradox was not surprising to salespeople. They expect buyers to give personality a low rating, yet complain about the types of salespeople with whom they have to work.

"It's like dating," says Judy Buckley, a sales manager with Marriott, Stamford, CT. "When you ask people, they always say it's a good personality and sense of humor they want. They'll never say it's looks!"

specifications deny themselves the expertise that would enhance their own performance and promotability. Purchasing agents who ask for and then receive a salesperson's problem-solving assistance, but then accept the naturally lower cost of the sales rep's competitor, are equally thinking short-term," he says.

Loyalty (in the form of "desire for long-term relationship") also scored highly. More than 68% considered it either "extremely important" or "very important." Industrial buyers in particular seem to cherish loyalty—and will return it.

"A couple of years ago I couldn't get corrugated boxes from the big companies," says I.G. Technologies' Ferguson. "One company stood by me and got me the boxes. Now the market has changed, and the big companies are coming in and saying that they can save me $20 by switching. Their salesmen tell me that I'm not doing my company justice because I won't save it money. But the other guy was there when I needed the boxes. And the market will change again."

High on the irrelevant list for buyers was "appropriate frequency of calls," to which 26.8% answered either "not too important" or "unimportant." Next was "supplies market data," which rated 23.4% in these two categories.

"The number of calls is very important to salesmen but purchasing agents just don't want to be bothered," explains consultant Greenberg. "They don't know that need is built up after a number of calls and so on. That's the business of salesmen."

As for supplying market data, Greenberg considers that "buzzword and business school stuff" that is rightfully unimportant to buyers. "They know what they want to buy and why," he says.

The good news

All the disclosures in the survey aren't negative, however. Many buyers say salespeople are improving and becoming more service-oriented and adept at problem-solving, a quality the survey indicates buyers look for in salespeople.

"They're getting better," says Leslie Kutasi, Jr., a purchasing agent with Microwave Technologies in Raymond, ME. "They're better trained. Companies are not just throwing out a bunch of people with a client list and telling them to sell."

Others also feel that the new crop of salespeople are more professional and less likely to rely on charm. Says Beveridge: "The results of the S&MM survey suggest that we—both sales professionals and purchasing professionals—are seeking the same objectives: problem-solving and sustaining a resource-type business relationship. The survey says to me that we have similar standards."

Or, as Sue Furnivall, a buyer with Robertson Transformer Co. of Indiana, in Rochester, puts it: "When they [salespeople] help me look good, they look good and they get the order."

By THAYER C. TAYLOR

Coke tries to speed up data flow to sales force

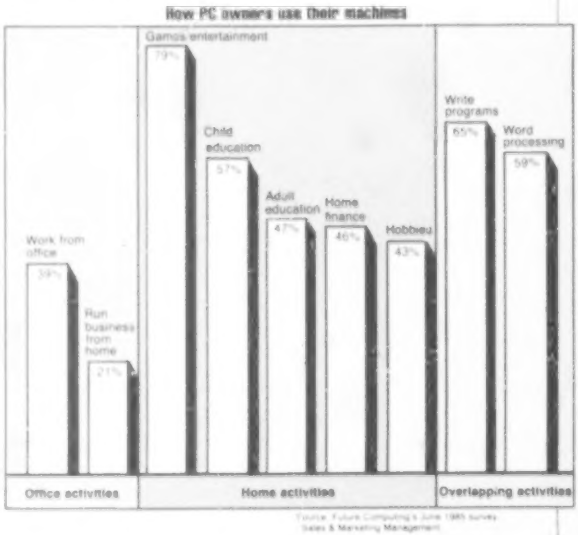
Following completion of a pilot test next month, Coca-Cola USA, Atlanta, is expected to equip its fountain sales division sales force with portable computers and a lineup of sales-oriented software. Since August, nine sales representatives and two sales managers in the Atlanta and Portland, OR, district offices have been using Data General DG/One portables (with retrofitted tilt-up screens) and several application packages developed by Envoy Systems, Waltham, MA, including Sales Aid, Sales Mail, Sales Desk, and Sales Administration.

Key objectives of the pilot test, according to business systems analyst Scot Bergsten, are reduction of the sales rep's administrative workload and faster turnaround of information from headquarters to the field. Fountain division sales reps call on restaurant and fast-food chains as well as other large dining facilities and spend most of their time planning marketing programs involving the use of Coke.

Two-way communications, an integral phase of the pilot, is designed to help the reps manage their accounts more effectively. The portables are used to transmit call report-type information to headquarters from the field as well as receive information the rep needs before making a sales call. In the past, sending and receiving such information via the mails led to serious time lags. Envoy is providing a complete package for the pilot, including hardware and software for the reps, a communications network, and software that produces analytical reports for the managers.

Home PCs get down to business

PC users in the home are becoming more business-minded. In more than one out of five homes with a PC, the machine is used to run a business from the residence. Also, almost two out of five home PC owners use them to do office work, according to Future Computing's latest quarterly survey of 36,300 homes. While in-home PCs are still mostly used for amusement, education, and personal finance applications, senior analyst Hilda Uribe notes, an increasing number are being bought for work-related tasks. Uribe says PC penetration of all homes will rise from 12.3% at the end of 1984 to 15% by this year's end. However, results from its latest survey made the Dallas-based research firm revise downwards its projection of 1985 PC sales in the home market by 26%, from 4.3 million units to 3.2 million. Even so, Uribe insists, because buyers are veering to more complete systems, dollar sales will edge up 4% to $3.8 billion this year. Future Computing chairman Egil Juliussen traces the sales slump to the fact that "consumers want PCs for purposes they can't clearly define and the industry is not clarifying what PCs can do for them."



Source: Future Computing's June 1985 survey
Sales & Marketing Management

Sales rep makes software second career

From a salesperson who used a PC to track customers over extended sales cycles to a newsletter publisher dispensing advice to salespeople on software that helps them perform more efficiently. That's the story of 34-year-old Richard N. Bohn, who, after a 10-year sales career at Nicolet Instrument, where he rose from sales trainee to vice president of marketing, decided on a second career as a newsletter publisher, launching a monthly publication called *Computer-Aided Selling*.

Bohn's introduction to computers came when he was a Nicolet sales representative. "The product I sold to colleges often hinged on pros-

AN EXCLUSIVE S&MM SURVEY

NEW MEANING FOR MEETINGS

By LESLIE BRENNAN

Anyone who wants to get the most out of his next sales meeting should take a look at how Richard P. Day primes his sales force for the occasion. "I try to give the newer salespeople and those who are somewhat less successful the idea that they are playing with winners, that they have a chance to grow with the winners," says Day, who is senior vice president, group insurance, at Bankers Life Nebraska in Lincoln. "It's a kind of cross-pollinization and synergism that keeps everybody high."

Generating this kind of enthusiasm, of course, is one of the prime reasons that sales and marketing executives believe in the power of sales meetings. Even though they have no more money to spend this year than last (significantly, two-thirds say they are trying to find ways to cut meeting costs), virtually everyone continues to hold meetings on a consistent basis. In an exclusive S&MM survey of top sales and marketing people in consumer, service, and industrial businesses, respondents report both creative and practical methods for getting more out of their sales meeting dollars.

The questionnaire was mailed to 1,000 S&MM readers in July, asking for information on such topics as meeting frequency, site, budget, and attendees. Respondents were also asked to tell whether they were trying to cut meeting costs this year and how, to rank factors that influenced site selection, and to suggest ways to improve sales meetings.

By the survey cutoff date in August, 172 replies had been received. Of those, 90% reported that they have held, or plan to hold, sales meetings this year. Only 17 respondents are not holding meetings, for reasons that range from "new company start-up—no time to set up a meeting this year," to "no new products to talk about—we'll have a meeting next year." Only one respondent, the sales and marketing manager of a midwestern leather products manufacturer, was moved to say, "We have no reason to hold one. Sales are good!"

Everyone else, including those who for some reason aren't holding meetings this year, felt that meetings are as essential in good times as in bad. What's more, many believe that it is important to gather at an attractive location. Otherwise, says Day of Bankers Life, "your meeting just won't have that kick." A number of other respondents concur, among them, J. Michael Brown, director of sales and marketing at Biomaterials International, a health-care instrumentation manufacturer in Salt Lake City. He says, "Sales meetings should be used as a reward. Take your people to a place that's relatively exotic—as much as you can afford—and don't make them spend the entire time working their fannies off in a hotel!"

Survey results: Managing the meeting

Have you held or do you plan to hold any sales meetings in 1985?

• Yes	90%
• No	10

Base: 170 replies

What is your meeting budget (excluding travel)?

	1985	1984
• Less than $10,000	38%	34%
• $10,000–$50,000	43	42
• $50,000–$100,000	13	13
• $100,000 or more	6	11

Base: 1985, 140 replies; 1984, 280 replies

Who chooses the meeting site and sets the agenda?

	Meeting site	Agenda
• Vice president sales/marketing	43%	44%
• General sales manager/director of sales	28	22
• Marketing director	15	11
• President	14	24
• Executive vice president	8	12

Base: 153 replies. Total is greater than 100% because of multiple answers.

What is the total number of people, including sales, support, and management, that attends each regional and national sales meeting?

	Regional (Base: 103)	National (Base: 110)
• Fewer than 10	31%	10%
• 10-19	39	14
• 20-49	25	28
• 50-99	3	30
• 100-149	1	10
• 150 or more	1	8

Citing the sites

Plenty of organizations, however, report excellent results at less thrilling locales, such as airport hotels, company headquarters, and budget motels. In fact, resort hotels suffered the biggest drop of all sales meeting sites in 1985, declining five percentage points from last year's 42%. Company sites and airport hotels picked up the difference (Table D-1).

Site amenities continued to be a strong factor in choosing a non-headquarters location for sales meetings (Table D-2). More than half (twice as many as last year) mentioned quality of guest rooms as an important qualification in their rating of a site. Other strong contenders were quality of service

B Distributors play a key role

1 Do you use distributors?

- Yes 58%
- No 42

Base: 163 replies.

2 If Yes, in what meetings do you include them?

- Include distributors in meetings held for own sales force 13%
- Hold separate meetings for distributors 61
- Both 26

Base: 80 replies.

(77%) and food (64%), on-site meeting staff and equipment (55%), and rates (46%). Trailing the list were availability of entertainment (4%) and convenience to an airport (18%).

Although sales and marketing executives are still interested in holding their meetings in better-than-average surroundings, they're even more interested in controlling the costs of sales meetings. Two-thirds of the respondents answered "Yes" when asked if they had tried to cut meeting costs in 1985 (Table E-1). This is a sizable increase over last year's 48% response to the same question. Efforts at cost-cutting are paralleled by the fact that meeting budgets have changed very little in a year (Table A-2). Meeting budgets ranged from less than $10,000 to more than $100,000, but the number of respondents that spend in the higher brackets has not increased since last year. In fact, the number of respondents in the top category has dropped five percentage points.

Static budgets and cost-cutting efforts affected respondents across the board, in every industry and in every type of sales organization. Among those companies surveyed, the size of the sales force ranged from fewer than 10 to more than 150, with 50% of the respondents

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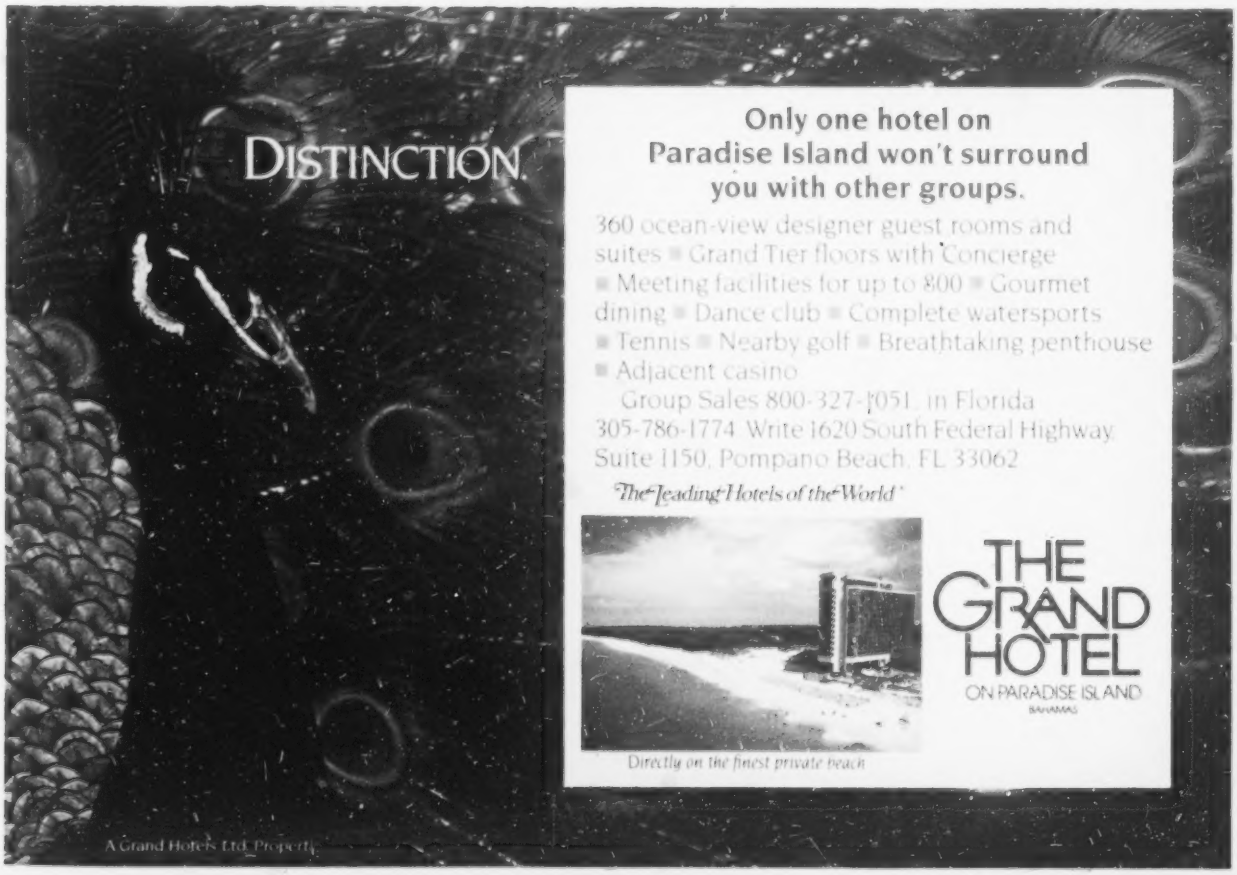
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reporting that their sales force is made up exclusively of company employees; 14%, exclusively of independent reps; and 36% a combination. In addition, 58% use distributors to get to market. Of these, 61% hold separate meetings for their distributors, while 13% include them in meetings held for in-house sales teams (Table B-2).

Asked what improvements sales and marketing executives would like to see in their meetings, more than half (57%) had suggestions to make (Table C). A quarter of these mentioned planning and organization as an area for improvement.

Linn Melvin, sales manager for Rediform Office Products, Los Angeles, says, "Every meeting should have an objective and a result tied to it so you can cost-justify the meeting. Otherwise, why have it? Objectives for national meetings might be launching a new product line, introducing a new management organization, or explaining major changes in price or position of a line of products."

Following his own advice, Melvin elected not to have a national sales meeting this year, replacing it with three regional meetings. He stresses that this wasn't necessarily a cost-cutting measure since the overall budget can get bigger holding several meetings. His rationale for regional meetings is that "there are times when smaller meetings of a closer-knit group on a specific topic are more effective and accomplish more than a very large meeting."

Others echoed the planning theme. Janice Fleenor Smith, marketing communications manager for Cabot Corp.'s Cabot Stellite Div. (manufacturer of special industrial alloys), Kokomo, IN, says it is important not to try to jam too much into one meeting. "You create too much stress in the meeting when you try to cover too much material. There's never enough time to reach a conclusion and implement objectives; the meeting becomes reactive instead of proactive."

Other significant suggestions included "Better speakers" (12%), "More outside speakers" (7%), "More professional help planning the meeting" (13%), and "Lower cost" (8%). A typical comment comes from the marketing manager at a southern paint manufacturer who says, "I'd like to see more splash in the program presentations." Another marketing manager, Jay Berman of the western region of the Adhesive and Graphics Div., Borden Chemical, Borden Inc., notes that "we're not trained presenters; that's not our fault. On the other hand, we do have to make these presentations periodically, so I think we probably ought to run a program on how to give a presentation."

Adds Robert Hall II, senior director and general sales manager, Greyhound Lines, Phoenix, "Our presentations need better emphasis and excitement. We should give information in a very creative way and make the meeting come alive for people; make the crossover between entertainment and education."

More outside speakers, a category that wasn't mentioned on last year's survey, showed up on the wish list of 7% of the respondents: Ed Taussig, sales vice president for All State Legal Supply in Bridgewater, NJ, says, "I see a trend

C Room for improvement

How would you like to see your sales meetings improved?

1 Physical arrangements

More responsive hotel staff	3%
Better food	3
Fancier hotel	2

Program

Better planning	25%
More professional help planning meeting	13
More participation by attendees	12
Better speakers (internal and external)	12
More fun, free time	12
More use of audiovisual materials	8
Lower cost	8
More outside speakers	7
More motivational sessions (speakers & awards)	5
More training sessions	5
Longer meeting	5
More meetings	4

3 Follow-up

Feedback; tie-in to increased sales	5

Base: 87. Total is greater than 100% because of multiple replies.

On location

Where are meetings held?

	1984	1985	1986
• Company site	47%	51%	44%
• Hotel	46	45	40
• Resort hotel	42	37	38
• Conference center	16	17	14
• Airport hotel	10	13	9
• Budget motel	3	3	1

Base: 153 replies. Total is greater than 100% because of multiple answers.

among sales managers to look outside the corporation for speakers. We're all looking for more ways to excite our people, and nationally known speakers are one way to do that. I think it really enhances the meeting for our people—much more than just pounding them on products and quota." Like most of the others who use or want to use outside speakers, Taussig favors motivational presentations. "We did a full day of Brian Tracy this year, and our people came out of the meeting sky-high. We've had record-breaking sales months ever since."

Although only 9% of the S&MM readers polled used the services of a professional meeting planner this year, another 13% would like to. Says Dean Pohl, sales and marketing manager, Vlier Engineering (industrial components), Burbank, CA, "They really help us organize the site and set up things we want to do after we get there—meals, entertainment, etc.—particularly when we go to places we're not that familiar with. Sometimes they even help us get speakers."

A director of sales and marketing at a heavy machinery manufacturing company in Niagara Falls, NY, would like to have even more outside help. He says, "I'd like to increase the variety and frequency of outside input, especially in the area of training skills and advisory services."

Apparently S&MM's readers didn't consider cost-cutting a way to make sales meetings *better* (only 8% listed it as one way to improve meetings), but it's very much on their minds. For the first time in three years, more than half are searching for economy measures, although they say it isn't easy. "We're holding our national meeting on the West Coast this year; it's close to the plant so more of our people can drive," says Vlier Engineering's Pohl. "We try to make our meeting nice, so it's hard to cut costs, but we're eliminating the frills, things like a bottle of champagne and basket of fruit in each attendee's room. They'll notice, but I think they'll understand that we're trying to cut corners here."

How to cut corners

Some of the corners are cut a little more closely than others, says Ted Minkler, director of sales, Computer Options, a Brockton, MA, software company. "The computer industry is going through somewhat of a shakeout right now," he says. "Sales meetings are the first things to go in hard times. Management would rather have the salespeople out there beating the bushes for business." Minkler still has his national meeting, but, he says, he can't do as much as he'd like: "Spending money on materials and presentations during sales meetings is not high priority right now."

Most respondents agreed with the general sales and marketing manager of a Pittsburgh manufacturer of water meters, who says, "It's essential to reduce costs without reducing the effectiveness of the meeting." Jed Casey, executive vice president of marketing for the Ginn Co. a Hyattsville, MD, office products distributor, has solved the problem by cutting out big meetings entirely. "We schedule short product meetings and selling skills meetings twice a month," he says. "About twice a year we have a big promotional meeting tied to a theme."

Casey's philosophy is to keep sales meetings "short, sweet, and to the point. It not only keeps costs down, but you get and keep people's attention. Cost is important, but I'm just as interested in the

What is important in a non-company meeting site?

	Very Important	Somewhat Important	Not Important
• Quality of service	77%	22%	1%
• Quality of food	64	34	2
• Quality of guest rooms	55	41	4
• On-site meeting staff and equipment	55	33	12
• Rates	46	53	1
• Travel time to site	37	57	6
• Banquet facilities	21	58	21
• Health and recreation facilities	20	53	27
• Convenience to airport	18	62	20
• Availability of entertainment	4	45	51

Base: 153 replies.

Battling costs

Have you tried to cut meeting costs this year?

	1985	1984
• Yes	66%	48%
• No	34	52

Base: 1985, 138 replies; 1984, 271 replies.

If so, how?

	1985	1984
• Shopped for airfare	64%	24%
• Tied meeting to trade show or other business	53	6
• Held fewer meetings	49	13
• Shopped for site rates, stayed in less expensive hotel	48	39
• Cut down on frills (banquets, entertainment, etc.)	46	11
• Held shorter meetings	45	21
• Stayed closer to home	42	15
• Limited attendance	37	11
• Replaced national meeting with regional meetings	21	9

Base: 1985, 91 replies; 1984, 82 replies
Total is greater than 100% because of multiple answers

initial impact, absorption, and follow-through."

Staying close to home, cutting out frills, and converting to small regional meetings are just three of the many routes creative sales and marketing managers are exploring in their attempt to reduce costs without losing impact. Others include staying in less expensive hotels, limiting attendance, and tying national meetings to trade shows or other business.

Many sales executives combine two or three techniques. Victor W. Cable, sales vice president for Holden Business Forms, Minneapolis, reports that "we cut costs by limiting attendance; in the past, we included spouses on the trips, but no more. We're also going to hold the meeting in Minneapolis this year instead of going to a site outside the city. The positive of that is saving money, but the negative is that you're close to the plant. The guys are going to be calling the office too much."

Despite all the cost-cutting measures, almost no one feels that sales meetings are any less effective than in the past. "They're essential," affirms the sales manager of a Utah-based manufacturer of nutritional supplements. "They allow us to feel the pulse of what's happening and respond." S&MM

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PC blues

Next month's Christmas selling spree will find cash registers ringing a merry tune for a raft of consumer electronic products—such as VCRs, compact disk players, microwave ovens, telephone answering machines—but not for personal computers. Although the fourth quarter chips in 40% or more of annual PC sales, marketers are cutting back on advertising as they wait for the industry's recession to end.

Even if PC marketers revved up advertising spending, it is doubtful that that would have generated the kind of gains achieved two and three years ago. The industry's basic problem is something not cured by juiced-up advertising—namely, a potential buyer the likes of which the industry has not encountered before and one who cannot be wooed by the sales strategies of the past.

When PCs burst on the scene 10 years ago, they were enthusiastically welcomed by the techies who were enamored with the new hardware technology—people who, Tony Wolff, focus group expert, calls hobbyists, tinkerers, innovators, adventurers, and hackers. In time, they were followed by a second wave of shoppers, business-oriented users who saw how the PC could end repetitive tasks and tackle specific business applications.

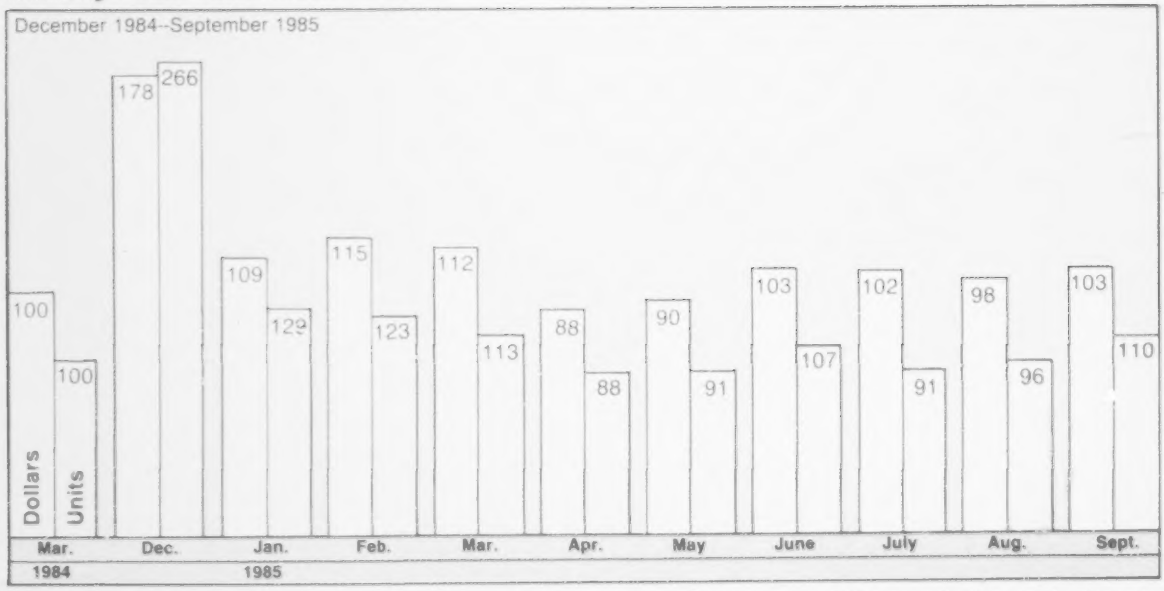
Confronting the industry today, says Wolff, is a "third wave made up of 'waiters' who have neither the intrinsic fascination with technology that characterized the first wave nor the clear vision of how to put the PC to work that characterized the second wave."

Wolff, whose firm, Tony Wolff & Co., specializes in focus group research for hi-tech industries, stresses the waiters are not "resisters," that "they know something important is happening with computers. The waiter," Wolff says, "rationalizes to himself that, yes, he probably should have a PC and will probably get one eventually, but he has gotten this far without one and so he can probably continue to do so until the industry gets one exactly right for him."

Contending that sales strategies that worked with earlier PC buyers won't be as effective with today's prospects, Wolff says that "If there is a single *leitmotif* that weaves its way through our focus groups, it's the felt need for education: computer literacy seminars, jargon-free books and brochures, on-line tutorials, self-explanatory or self-running demos."

Shifting the marketing emphasis to education won't be easy because computer dealers, the PC marketer's favored distribution channel, are overly occupied with large volume accounts, hence the little guy is pushed aside. As one dealer told Wolff, "The dual roles of being a sales organization and an educational organization don't mesh very well."

Monthly retail sales index—PCs



Note: Chart shows dollar and unit sales in relation to March 1984 sales, which are designated with an index number of 100.

Source: InfoCorp's *Retail Channel Tracking Service*.